

THE HEALTH INFORMATION MODERNIZATION AND SECURITY ACT

HON. DAVID L. HOBSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. HOBSON. Mr. Speaker, today I am introducing the Health Information Modernization and Security Act with Mr. SAWYER. In the Senate, Mr. BOND and Mr. LIEBERMAN introduced the same bill as S. 872. Our bipartisan, bicameral bill was developed over several years in an open, cooperative effort between the private and public sectors. Our purpose is to reduce excessive paperwork and administrative waste in the health care system by facilitating the development of an electronic health information network.

Health information systems are on the verge of a dramatic transformation. Today, financial and administrative information commonly is keyed into a computer, printed in paper form, and then mailed or transmitted to another person who rekeys the information into another computer. The constant demand for more information in less time is pushing the current system toward electronic data interchange [EDI], the computer-to-computer exchange of information in a standard format.

The technology exists today to move away from a paperwork system and toward an electronic health information network. Although many institutions have internally automated health information systems, there are barriers to sharing information externally, among institutions. First, no single entity in the health care industry has the market power to move the industry toward a common standard. Second, antiquated State licensing laws make computerized medical records technically illegal in 12 States and legally ambiguous in 16 others. Third, there are privacy concerns related to the degree of access to health information.

The Health Information Modernization and Security Act removes the barriers that block the modernization and simplification of health information networks. Once these barriers come down, the private sector will be able to reduce unnecessary paperwork, which adds nearly 10 cents to every health care dollar; expose fraud in ways that are impossible under the confusing, disjointed paperwork system we have today; protect patient privacy and the confidentiality of health information; and provide consumers with the data they need to compare the value of insurance plans and health services.

Basically, our bill sets up a process that moves the health care industry toward a common electronic language for sharing information. The Secretary of the U.S. Department of Health and Human Services is required to adopt standards for health information, but only if those standards already are in use and generally accepted. The Secretary is required to adopt financial and administrative data standards, security standards, privacy standards for individually identifiable health information, and special rules for coordination of benefits, code sets, electronic signature, and unique health identifiers for individuals, employers, health plans, and health care providers.

The Secretary is not required to adopt standards for clinical data or information in the

patient medical record. Financial and administrative data often is handled electronically today, and there is general agreement on the type of standards that should be adopted. Clinical information, in contrast, is more complicated and there is little consensus on the quantity or content of the data that should be standardized. Further, adopting clinical standards involves complex privacy requirements and a debate about whether or not data should be centralized. However, after 4 years, but sooner than 6 years, the Secretary must recommend to Congress a plan for developing and implementing uniform, electronic data standards for information in the patient medical record.

Within 2 years after the Secretary adopts the standards, health plans are required to comply. The mandate is on the payer, not the provider. Providers are required to comply with the standards for any business they do with Medicare. Payers and providers may deviate from the standards by mutual agreement. For example, a payer may agree to accept information on paper claims, but they are not required to accept that information if it is not in the standard format adopted by the Secretary. Similarly, a provider may agree to provide additional information requested by the payer, but they do not have to provide that information if it is not among the standards adopted by the Secretary. This creates the market-oriented leverage necessary to converge on a single industry standard.

To conclude my remarks, I want to credit the work and commitment of the people behind this legislation. In 1991, Secretary of Health and Human Services Louis Sullivan articulated a vision of a health care information system. Mr. BOND first introduced legislation to achieve that vision in 1992, updated that work in 1993—Mr. Sawyer and I were the House sponsors—and now we introduce the final product of our continuing efforts here today—the Health Information Modernization and Security Act.

CONGRATULATIONS FLORIDA HOSPITAL

HON. BILL MCCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. MCCOLLUM. Mr. Speaker, congratulations to Florida Hospital in Orlando, FL, on the occasion of the beginning of construction for the Walt Disney Memorial Cancer Institute's new facility in my congressional district.

When its new facility is complete, the institute will bring honor to Orlando as a leader in diagnosis, treatment, and prevention of cancer. We are grateful to Florida Hospital for providing a service of this magnitude, including research and cancer prevention education, for the citizens and families of central Florida.

We are fortunate to have dedicated caregivers like Florida Hospital and the Walt Disney Memorial Cancer Institute in Orlando. We congratulate them on their commitment to bring quality cancer care to our citizens.

TRIBUTE TO MARIANNE TETA AND MARTIN GOLDEN, BAY RIDGE COMMUNITY COUNCIL AWARD DINNER DANCE

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Ms. MOLINARI. Mr. Speaker and distinguished colleagues, please join me as I recognize the dedication, determination and efforts of two outstanding citizens of Bay Ridge, NY, Marianne Teta, president of the Bay Ridge Community Council and Martin Golden, president of the Fifth Avenue Board of Trade and the recipient of the 1995 Bay Ridge Community Council Civic Award.

This dynamic team allied civic, business, church, and veterans groups in an ongoing public awareness campaign which resulted in the continued operation of Fort Hamilton Army Base, a historic landmark serving our country since 1825.

Marianne J. Teta, lifelong resident of Brooklyn, presently serves as the director of NYNEX Consumer Affairs for Brooklyn and Staten Island. Among the many organizations Marianne is presently active in are the Bay Ridge Lions, Ragamuffin and the Bay Ridge Parks and Waterfront Council.

Martin Golden resides in Bay Ridge with his lovely wife Colleen and their son Michael. Together they manage the Bay Ridge Manor and aid many worthy organizations such as the Angel Guardian Home and Heart Share.

We are fortunate to be blessed with these caring individuals who have encouraged community pride and involvement by supporting our neighbors in the armed forces. They are a credit to Bay Ridge, Brooklyn, and an important part of the fiber that strengthens our neighborhoods and Nation.

INVESTORS MAKE LOUSY CROWBARS

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. OXLEY. Mr. Speaker, I commend the following column by Cynthia Beltz from the Journal of Commerce to the attention of my colleagues.

[The Journal of Commerce, May 25]

INVESTORS MAKE LOUSY CROWBARS

(By Cynthia Beltz)

The world's major industrialized nations this week launched two years of negotiations to reduce barriers to cross-border investment. Just last week, the United States threatened Japan with 100 percent tariffs on luxury auto imports unless its auto parts market is opened to U.S. companies. Unfortunately, such tit-for-tat tactics in the trade arena are now spreading like an infectious disease into the investment field, threatening to thwart the negotiations before they get off the ground.

U.S. investment policy traditionally has rejected aggressive reciprocity tactics. Instead, Washington has maintained open-door policies at home while promoting them abroad. The strategy has paid off. The best companies in the world have flocked to the